K A N S A S
DEPARTMENT OF REVENUE

June 16, 2009

Mr. Tony Ronquillo
Business Manager, 3M MVS
3M Company
3M Center
St. Paul, MN 55144

Subject: RFP 11601, Driver and Vehicle Licensing, Titling, Registration, and Inventory Software,
with Associated Integration Services for the Kansas Department of Revenue.

Dear Mr. Ronquillo:

We look forward to your arrival on Thursday, June 25th and anticipate a productive negotiation session. We realize our commitment to keep this project within our budget must come with some reduction in scope.

Therefore, a subset of the Enhancements and Modifications listed in Schedule 7 of the 3M Cost Proposal dated May 29, 2009 have been eliminated from the scope of this project. The table shown below identifies each requirement number, description and associated cost.

Req. Ref. No.	Level of Effort Description	Major Mod or Custom Design	Hours	Cost
OF 11.000	Develop Finger Print functionality	MA	160	$ 27,003
TR 181.00	Develop individual plate order on-line functionality	MA	400	$ 67,508
DL 10.060	Implement road sign recognition test functionality	MI	40	$ 6,751
DL 52.00	Implement document authentication functionality	MA	80	$ 13,502
DL 53.000 - 54.000	Implement Testing Functionality	MA	80	$ 13,502
DL 64.000 - 74.000	Develop driver education functionality	CD	900	$ 151,893
DC 7.00	Implement driver records functionality	CD	240	$ 40,505
DC 28.000	Implement verification receipt updates	MI	40	$ 6,751
IN 3.000	Develop component cost functionality	CD	200	$ 33,754
IN 4.000	Develop inventory cost functionality	CD	200	$ 33,754
IN 13.000 -13.020	Develop contract management and purchase order functionality	CD	200	$ 33,754
IN 14.010, 15.000, and 21.000	Develop purchase orders and agreement functionality	CD	200	$ 33,754
IN 26.00	Develop material management functionality	CD	200	$ 33,754
IN 28.000, 29.000	Develop labor contract management functionality	CD	200	$ 33,754
IN 30.000	Develop order reconciliation functionality	CD	200	$ 33,754
IN 46.000	Integrate triggering inventory order	MA	80	$ 13,502
IN 48.000	Integrate automatic reorder functionality	MA	80	$ 13,502
			Total	$590,697

KDOR is also interested in discussing the impact of eliminating Functional Requirement DL 56.000 (web based knowledge testing) along with the related Third Party Software Costs (Solutions Thru Software) listed in Schedule 10 – Hardware and Software Costs. Please come prepared to discuss removal of this requirement and related Third Party Software costs during formal Negotiations.

The Kansas Department of Revenue (KDOR) and the Procurement Negotiation Committee (PNC) look forward to the negotiation process with 3M.

For the PNC,

Jim Conant, Director
Resource Management

Cc: Roberts Sachs
        Carey Brown